



Congresswoman Susan A. Davis

Serving California's 53rd Congressional District

The American Recovery and Reinvestment Act

Miscellaneous Tax Relief Measures for Individuals and Families

Tax Breaks for Individuals and Families

There are a number of tax cuts for families and individuals included in The American Recovery and Reinvestment Act. Some of these tax breaks are designed to improve the housing market or make new cars more affordable. Most of the tax cuts go to lower and middle income individuals and families who have been hit hardest by the recession. These individuals and families are the most likely to spend the money, thereby boosting the economy. The tax breaks are temporary, typically applying only in 2009 and 2010. To learn if you qualify for these tax breaks, contact a tax professional or the IRS. The various tax breaks include:

Child Tax Credit

- Expanded eligibility so that more families benefit from the tax credit

Earned Income Tax Credit

- Expanded Earned Income Tax Credit

Making College More Affordable

- \$2,500 College Tax Credit to cover the costs of tuition and expenses

Housing

- \$8,000 tax credit for first-time home buyers.

Alternative Minimum Tax - Relief

- Preventing 22 million Americans from paying the Alternative Minimum Tax
 - See our handout on the AMT for more information

The Unemployed

- Eliminating taxes on unemployment benefits
- Increasing Unemployment Benefit to \$325 per week
- Extending Unemployment Eligibility up to an additional 33 weeks

New Cars

- Tax deductions for state and local taxes paid when purchasing a new car

Questions or Help

Contact a Tax Professional or the IRS

IRS: 1-800-829-1040

IRS Telephone Assistance for people with hearing impairments: 1-800-829-4059 (TDD)